

ROUTING

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Top Secret 219

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NATIONAL INTELLIGENCE DAILY CABLE

Tuesday 30 May 1978

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ZAIRE: Military Situation Report

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25X1 [redacted] //Most of the [redacted] French Foreign Legion
25X1 force in Zaire left Kolwezi on Sunday by truck convoy for
Lubumbashi. [redacted] Legionnaires remain in Kolwezi to maintain
security. Belgian paratroopers have arrived in several mining
towns east of Kolwezi to protect European civilians. Katangan
forces apparently still control Mutshatsha and unsuccessfully
attacked Kasaji Saturday night.//

25X1 [redacted] //Last week, a French Defense Ministry spokesman
said that the departing Legionnaires would stay in Lubumbashi
for several days before returning to their base in Corsica.
He also said the trip from Kolwezi would take three days.//

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[redacted]
Press reports indicate the French will remain in Kolwezi until
Moroccan troops arrive there. The US Defense Attache in Kinshasa
reports that the 50 Moroccan soldiers now in Zaire were still
housed outside the capital on Sunday.//

25X1 [redacted] //Elements of the [redacted] paratroop 25X1
force stationed at Kamina airbase began to deploy to mining
towns in southern Shaba Region on Saturday. Belgian contingents
are now located in Lubumbashi, Likasi, Kipushi, and Kambove as
well as Kamina. The Belgian Defense Ministry announced last
week that the paratroopers would remain in Zaire indefinitely
in order to protect Belgian citizens, but the troops have orders
to limit their operations to rescuing and evacuating endangered
Europeans.//

25X1 [redacted] According to the US Army Attache in Zaire, there
were plans for Belgian military air transports to begin yester-
day to remove Belgian nationals from Lubumbashi to Kinshasa.

25X1 [redacted]

National Intelligence Daily Cable for Monday, 30 May 1978

The NID Cable is for the purpose of informing senior US officials.

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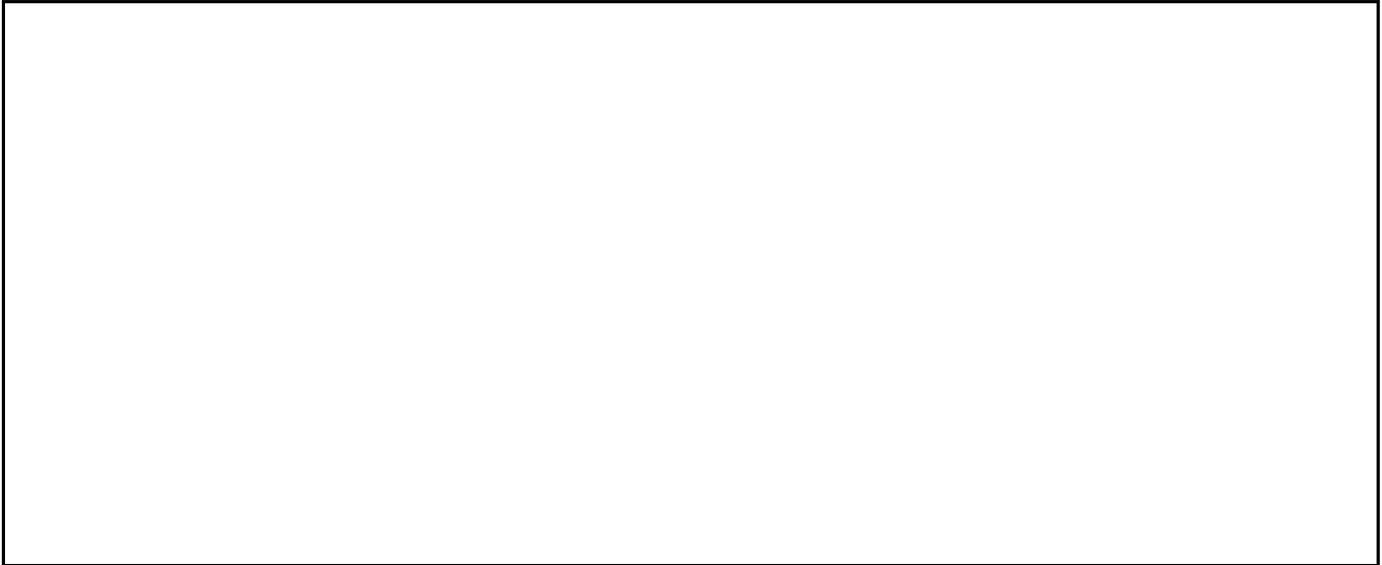
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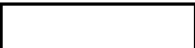


IRAQ-USSR: Tensions Increasing


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 *Relations between Iraq and the Soviet Union appear to be seriously strained as a result both of Iraq's unhappiness about the Soviet role in the Horn of Africa and of Baghdad's treatment of the local Communist Party.*

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 Iraq, which has been an important supporter of the Eritrean rebels, has approached the Soviets several times in the past few weeks voicing its concern about the impending Ethiopian Government offensive against the rebels. According to press reports, Iraqi leader Saddam Husayn recently told the Soviet Ambassador in Baghdad that Iraq opposes any military pressure against the Eritreans and warned the Ambassador that Iraq is prepared to sever relations with Moscow if it is proved that the Soviets have given military support to Ethiopia for use against the Eritreans.

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 Baghdad may, in addition, be taking advantage of the tension with the Soviets to move against the Iraqi Communist Party. Arab press sources report widespread arrests of Iraqi Communists and the execution of 14 party members in the past month. The Soviet Ambassador, in his meeting with Saddam Husayn, is said to have protested the moves.

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[] Although the Baathist regime has periodically moved against local party members, the current action could be meant both as a reminder to the Soviets that they have little or no influence over internal Iraqi politics and as a signal that further reprisals are possible should Soviet policy in the area run counter to Iraqi interests. The arrests apparently involve only low-level party members, and not senior leaders, two of whom remain as members of the cabinet. One of the Communist cabinet ministers traveled to Moscow recently, perhaps to try to smooth relations.

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[] An Iraqi announcement last week that all Soviet flights scheduled from Moscow to Aden via Baghdad had been canceled has raised speculation that Iraq is ending Soviet use of Iraqi facilities for military transport flights. []

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USSR: Change in Research Leadership

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[] *//The creation of a vice presidency for science and technology in the Soviet Academy of Sciences may lead to significant changes in Soviet research policy, and the new appointee may influence future exchanges of laser fusion information between the USSR and the US.//*

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[] *//Dr. Yevgeniy Velikhov, an internationally known specialist in fusion physics and magnetohydrodynamics, was elected to the newly created post by the presidium of the academy. He will have broad responsibility for the general planning of research programs in the areas of physics, chemistry, mathematics, computers, energy, space, and related technologies. Velikhov will report directly to the president of the academy and may in fact be in line to succeed to that position.//*

25X1 [] //Among his many responsibilities, Velikhov has headed the laser fusion division of the Kurchatov Institute, a position that will now be filled by Yuriy Volkov, a leading specialist in magnetohydrodynamics.//

25X1 [] //In past dealings with US scientists on matters relating to laser fusion, Volkov has been reluctant to provide Soviet information and markedly aggressive in trying to elicit US information. Under his influence, other scientists at the institute may become more intelligence-conscious in their exchanges with the US on the subject of laser fusion.//

25X1 [] //In his new capacity as vice president, Velikhov has already initiated a major change, which de-emphasize the Soviet laser fusion program. He has also indicated special interest in Soviet energy, space, and high-energy physics programs--fields outside his specialty. [] 25X1

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VIETNAM-CHINA: Talks Proposed

25X1 [] *Vietnam has proposed negotiations with China to de-
fuse tensions over the exodus of overseas Chinese from Vietnam
to China. Among other issues, the Vietnamese want to discuss
China's announced plan to send ships to Vietnamese ports to
pick up additional refugees.*

25X1 [] On Saturday, the Vietnamese rejected China's assertion that overseas Chinese have been mistreated and expelled, calling it a "complete fabrication." A Vietnamese Foreign Ministry official said that Peking's proposal for dispatching two ships to Haiphong and Ho Chi Minh City, formerly Saigon, would be reported to higher authority.

25X1 [] Yesterday, the Vietnamese proposed that the two governments meet in Peking in early June to discuss the overseas Chinese problem and China's plan to send ships to pick up refugees. There are no indications that Peking is preparing to send the ships without Vietnamese authorization.

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[] Propaganda exchanges remain heated. The Chinese press, saying that nearly 90,000 overseas Chinese have now been expelled, is continuing to focus on the suffering inflicted on the ethnic Chinese by Vietnamese authorities. A recent broadcast charged that the Vietnamese opened fire on a group of fleeing refugees, wounding two.

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[] The Vietnamese press continues to criticize China for spreading stories about the mistreatment of Chinese, pointedly commenting that other Southeast Asian states with large overseas Chinese populations are concerned that China might create problems among the ethnic Chinese in their countries. Vietnamese statements have also strongly emphasized the value Hanoi places on the friendship of the Chinese and the Vietnamese peoples.

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CHINA-JAPAN: Friendship Treaty

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[] Japanese Prime Minister Fukuda plans to sound out the Chinese next month about reopening negotiations on the long-stalled Sino-Japanese peace and friendship treaty. Intermittent discussions on the treaty, as well as a publicly announced trip to Peking by Foreign Minister Sonoda to discuss the issue, were shelved in April following incursions by Chinese fishing boats into the disputed waters around the Senkaku Islands. There are as yet no signs that the Japanese have fashioned a new proposal on the main stumbling block to the treaty--the anti-Soviet, anti-hegemony clause--that would be acceptable to Peking. The Chinese have reemphasized their inflexibility on this issue.

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[] Fukuda almost certainly hopes to show some movement on the treaty problem, if only to undercut pressures from the more vocal supporters of China in Tokyo. Fukuda won the formal approval last week of the ruling Liberal Democratic Party leadership for reopening the talks with Peking, but he has privately emphasized his desire to proceed at a measured pace.

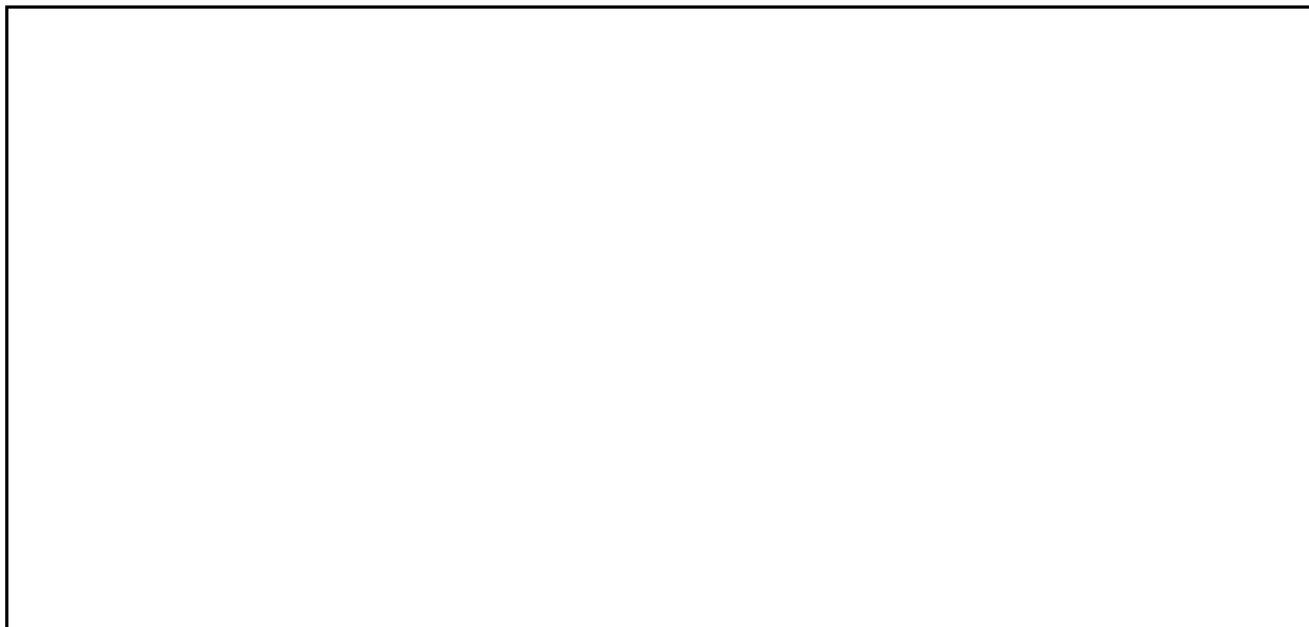
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[] Fukuda has several reasons for modulating the pace of negotiations on the treaty. Most obviously, he wants to renew the talks only after the current Diet session ends in mid-June

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in order to ensure that there are no disruptions in the legislative schedule. Implementing legislation for the Japan - South Korea continental shelf agreement, which is already the subject of official Chinese protests, is now before the Diet, and Fukuda almost certainly wants to avoid the possibility that opponents of the treaty in the ruling party or opposition critics of Japan's ties with South Korea might use Chinese objections to torpedo the bill.

25X1 [] More important, however, Fukuda is well aware of the need to win over conservatives in Liberal Democratic ranks who insist on moderating the anti-Soviet overtones of the anti-hegemony clause. In publicly endorsing further talks, party leaders clearly pulled up short of endorsing any concessions to the Chinese. Fukuda has privately underscored his personal interest in moving ahead with the treaty, but he has also emphasized that an agreement on a compromise position for the anti-hegemony problem--and presumably some flexibility in Peking--must come first. []



ZAMBIA: Copper Earnings Plummet

[redacted] //Zambia is in for major economic problems unless its copper exports pick up soon. Its earnings from copper sales fell to \$1.3 million during the first two weeks of this month compared with a normal monthly average of \$72 million. The dramatic drop apparently stems from tie-ups along the TANZAM rail line and at the port of Dar es Salaam, Tanzania, that stranded nearly 100,000 tons of copper worth about \$120 million.//

[redacted] //Even before the current difficulties, Zambia was faced with serious balance-of-payments problems. At the start of the year, it had fallen \$500 million behind in payments for imports. Despite the current spurt in world copper prices attributable to the Zaire situation, Zambia's current-account deficit could exceed \$240 million unless copper shipments average close to last year's 650,000 tons.//

[redacted] //Zambia has been forced to rely on shipment through Dar es Salaam for almost all its copper exports in recent years; closure of its border with Rhodesia in 1973 halted exports

through Rhodesia, and in 1975 fighting in Angola halted international traffic along another export route, the Benguela railroad through Angola.//

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[REDACTED] //Delays in shipping copper from Dar es Salaam caused by haphazard cargo handling, inadequate storage facilities, and shortages of transport equipment have been common since then. The current problems appear particularly serious, however, and probably were precipitated by the recent removal of 400 trucks from operation by a trucking company because of slow payment by Zambia.//

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[REDACTED] //Zambia is already taking steps to correct the situation. Payments to the trucking service were authorized two weeks ago, and discussions between Tanzanian and Zambian transport officials aimed at increasing railcar availability and improving port efficiency have also been held. Zambia also plans to increase shipments through Malawi to two ports in Mozambique.//

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[REDACTED] //Export delays will prevent Zambia from taking advantage of the closure of Zaire's copper mining industry and the resulting rise in copper prices. Most of the benefits reaped by reductions in the 2 million tons of excess copper in the international market will accrue to other developing country producers--Peru and Chile--if Zambian and Zairian difficulties persist. [REDACTED]

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